



**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**NOVEMBER 2022**

**BUSINESS STUDIES P2  
MARKING GUIDELINE**

**MARKS: 150**

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This marking guideline consists of 26 pages.

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**NOTES TO MARKERS****PREAMBLE**

The notes to markers are provided for quality assurance purposes to ensure the following:

- (a) Fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at the different levels
- (c) Streamline the marking process considering the broad spectrum of markers across the country
- (d) Implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning

1. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
2. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:
  - Uses a different expression from that which appears in the marking guidelines
  - Comes from another credible source
  - Original
  - A different approach is used

**NOTE: There is only ONE correct answer in SECTION A.**

3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
4. The word 'Sub-max.' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
6. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max.' in the marking guideline. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. Correct numbering of responses to questions is recommended in SECTION A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
9. No additional credit must be given for repetition of facts. Indicate with an 'R'.

10. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

- 10.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** 'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings.' ✓
- 10.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance, candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings, ✓ because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.' ✓

**NOTE:** 1. The above could apply to 'analyse' as well.  
2. Note the placing of the tick (✓) in the allocation of marks.

11. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guidelines and the context of each question.

Cognitive verbs, such as:

- 11.1 Advise, name, state, outline, motivate, recommend, suggest, (list not exhaustive) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 11.2 Define, describe, explain, discuss, elaborate, compare, distinguish, tabulate, differentiate, analyse, evaluate, critically evaluate (list not exhaustive) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

12. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

13. **SECTION B**

- 13.1 If for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion.

**NOTE:** 1. This only applies to questions where the number of facts is specified.  
2. The above also applies to responses in SECTION C. (where applicable).

- 13.2 If two facts are written in one sentence, award the candidate FULL credit. Point 13.1 above still applies.

13.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers.

**13.4 Use of the cognitive verbs and allocation of marks:**

13.4.1 If the number of facts are specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in SECTION C)

The 'fact' and 'explanation' are given separately in the marking guidelines to facilitate mark allocation.

13.4.2 If the number of facts required is not specified, the allocation of marks must be informed by the nature of the question and the maximum mark allocated in the marking guidelines.

**13.5 ONE mark may be awarded for answers that are easy to recall, requires one-word answers or is quoted directly from a scenario/ case study. This applies to SECTIONS B and C in particular (where applicable).**

**14. SECTION C**

14.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	<b>Maximum: 32</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>

14.2 Insight consists of the following components:

<b>Layout/ Structure</b>	Is there an introduction, body, proper paragraphs and a conclusion?	2
<b>Analysis and interpretation</b>	<p>Is the candidate able to break down the question into headings / sub-headings/interpret it correctly to show understanding of what is being asked?</p> <p>Marks to be allocated using this guide:            All headings addressed: 1 (One 'A')            Interpretation (16 to 32 marks): 1 (One 'A')</p>	2
<b>Synthesis</b>	<p>Are there relevant decisions/facts/responses made based on the questions?</p> <p>Marks to be allocated using this guide:</p> <p>Option 1: <b>Only relevant facts: 2 marks (No '-S')</b>            Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.</p> <p>Option 2: <b>Some relevant facts: 1 mark (One '-S')</b>            Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 3: <b>Some relevant facts: 1 mark (One '-S')</b>            Where a candidate writes FOUR questions, but one sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 4: <b>No relevant facts: 0 marks (Two '-S')</b>            Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.</p>	2
<b>Originality</b>	Is there evidence of examples, based on recent information, current trends and developments?	2
<b>TOTAL FOR INSIGHT:</b>		<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>		<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32):</b>		<b>40</b>

- NOTE:**
- 1. No marks will be awarded for contents repeated from the introduction and conclusion.**
  - 2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
  - 3. No marks will be allocated for layout, if the headings 'INTRODUCTION and CONCLUSION are not supported by an explanation.**

- 14.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 14.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guidelines to each question.
- 14.5 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/MAX after maximum marks have been obtained but continue reading for originality "O".
- 14.6 At the end of each essay, indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

<b>CONTENT</b>	<b>MARKS</b>
<b>Facts</b>	<b>32 (max.)</b>
<b>L</b>	<b>2</b>
<b>A</b>	<b>2</b>
<b>S</b>	<b>2</b>
<b>O</b>	<b>2</b>
<b>TOTAL</b>	<b>40</b>

- 14.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARKS BREAKDOWN at the end of each question.)
- 14.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 14.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.
- 14.10 14.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 14.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy / ✓ where business aim to introduce new products ✓ into existing markets.' ✓  
This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 14.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the memo, will not necessarily apply to each question. This would also depend on the nature of the question.

**SECTION A****QUESTION 1**

- 1.1    1.1.1    D ✓✓  
       1.1.2    B ✓✓  
       1.1.3    C ✓✓  
       1.1.4    A ✓✓  
       1.1.5    C ✓✓ (5 x 2) (10)
- 1.2    1.2.1    outsourcing ✓✓  
       1.2.2    venture capital ✓✓  
       1.2.3    good ✓✓  
       1.2.4    rights ✓✓  
       1.2.5    stress ✓✓ (5 x 2) (10)
- 1.3    1.3.1    H ✓✓  
       1.3.2    J ✓✓  
       1.3.3    F ✓✓  
       1.3.4    G ✓✓  
       1.3.5    I ✓✓ (5 x 2) (10)

**TOTAL SECTION A:    30****BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
<b>TOTAL</b>	<b>30</b>

**SECTION B**

Mark the **FIRST TWO** answers only.

**QUESTION 2: BUSINESS VENTURES****2.1 Factors considered before the start-up of a business**

- Culture of the organisation ✓
- Environmental changes ✓
- Customer service ✓
- Business growth ✓
- Cost saving ✓
- Market research ✓
- Training of staff ✓
- Possible risk factors ✓
- Source of raw material ✓
- Source of funding ✓
- Form of ownership used ✓
- Location/business premises to be used ✓
- Any other relevant answer related to the factors that must be considered before the start-up of a business.

**NOTE: Mark the first TWO (2) only.**

(2 x 1) (2)

**2.2 Aspects that must be included in the prospectus**

- Company overview, including the vision, mission and goals of a business ✓✓
- Product or service portfolio ✓✓
- Market analysis and strategy ✓✓
- Management team ✓✓
- The risk and potential of the business ✓✓
- Available financial and share information ✓✓
- Company's assets and liabilities ✓✓
- Financial position and securities attached ✓✓
- Profits and losses with audited financial statements ✓✓
- Cash flow ✓✓
- Prospects for growth ✓✓
- Pre-incorporation contracts that have been signed ✓✓
- Date of registration of the prospectus ✓✓
- The minimum subscription ✓✓
- Any other relevant answer related to aspects that must be included in the prospectus.

**Max.** (6)



## 2.3 Avenues of acquiring a business

### 2.3.1 Franchise ✓✓ (2)

#### Motivation

- Ekasi Chicken Braai is a patent business which has rigid rules on how the business must be run. ✓
- The standards are maintained to protect the reputation and the name of the patent business. ✓

**NOTE:** 1. Mark the first ONE (1) only. (1)

2. Do not award marks for the motivation if the avenue of acquiring a business was incorrectly identified.

**Max.** (3)

### 2.3.2 Contractual implication of a franchise

- The franchisor and franchisee must sign a franchise agreement, ✓ which is legally binding on both parties. ✓
- Disclosure document includes important financial information ✓/ details regarding the structure of the franchise. ✓
- The franchisee had to sign a confidentiality clause, ✓ to protect important information from competitors. ✓
- Royalties are payable in lieu of the ongoing use of the intellectual property ✓ and franchise fee which is paid to obtain the license or franchise. ✓
- Franchisee contributes a fixed amount/fixed percentage of turnovers ✓ on a regular basis towards the promotion and advertisement of the franchise operation. ✓
- Training and operational support ✓ provided by the franchisor. ✓
- Obligation of a franchisor is the management and development of a franchise ✓ whilst franchisee is to operate the franchise in accordance to the agreement. ✓
- Termination clause includes provisions entitling the franchisor to cancel the agreement ✓ if the franchisee fails to act in accordance with the operations. ✓
- Franchise can be sold/transferred ✓ with the consent of a franchisor. ✓
- The licensing of intellectual property ✓ (trademark, patents, logos) to the franchisee is controlled by the franchisor. ✓
- The initial duration of the franchise ✓ and any renewal rights. ✓
- The policies that govern the product ✓ or service. ✓
- The nature ✓ and extent of the rights granted to the franchisee. ✓
- The form of ownership ✓ that the franchise will operate under. ✓
- Any other relevant answer related to the contractual implication of franchising.

**NOTE:** Accept relevant facts if the avenue of acquiring a business was incorrectly identified as an answer in QUESTION 2.3.1.

**Max.** (4)

## 2.4 Preparation of handouts as a visual aid

- Structure the information ✓ in a logical sequence. ✓
- Use a legible font ✓ and font size. ✓
- Choose images ✓ that may help to communicate the message. ✓
- Make sure there are ✓ no grammatical/spelling errors. ✓
- Use bright colours ✓ to increase visibility. ✓
- Refrain from using ✓ busy borders, different fonts and too many different colours. ✓
- Limit the information as handouts ✓ should not contain unnecessary information. ✓
- Allow an empty page at the end of the handout ✓ to allow the audience to make additional notes during the presentation. ✓
- Any other relevant answer related to how presenters must prepare handouts as a visual aid.

**Max.** (4)

## 2.5 Gantt chart

ACTIVITY	WEEK 1	WEEK 2	WEEK 3	PERSON RESPONSIBLE
Raise start-up capital ✓	✓			Claude and Claudia ✓
Register CCA as personal liability company ✓		✓		Claudia ✓
Find a suitable business premises ✓			✓	Claude ✓
Sub-max. (3)	Sub-max. (3)			Sub-max. (3)

**Max.** (9)

## 2.6 Reason why businesses need funding

- Cover the start-up costs ✓ including premises/machinery/raw materials etc. ✓
- Running the business ✓ and have enough money to pay employees/suppliers of raw material etc. ✓
- Pay for cost of input ✓ such as wages, telephone and other expenses. ✓
- Expand the business ✓ as the orders/sales increase and bigger premises need to be established. ✓
- Any other relevant answer related to reasons why businesses need funding.

**Max.** (6)

## 2.7 Strategies to ensure businesses remain profitable and sustainable

- Thorough planning every time new decision and development occurs. ✓✓
- Sound management at finances through sensible decision in spending. ✓✓
- Effective management of scarce resources, e.g. money, equipment, personnel, etc. ✓✓
- Effective management at employees through team building, good interpersonal relations and sound conflict resolution. ✓✓
- Maintain a solid customer base by attracting and retaining customers. ✓✓
- Behaving ethically and socially responsible where product prices are fair and environmentally friendly. ✓✓
- Monitoring the external and internal environment to create awareness of threats and opportunities. ✓✓
- Any other relevant answer related to strategies that businesses can use to remain profitable and sustainable.

Max. (6)  
[40]

### BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	6
2.3.1	3
2.3.2	4
2.4	4
2.5	9
2.6	6
2.7	6
TOTAL	40

**QUESTION 3: BUSINESS ROLES****3.1 Causes of stress in the business environment**

- Work overload/unrealistic targets. ✓
- A lack of power or influence with no authority in their work. ✓
- Long working hours/extended/very odd working hours. ✓
- Badly designed shift systems/change in the organisational structure, policy, process. ✓
- Lack of finances, human resources/physical resources. ✓
- Changes in job description ✓
- Confrontations and conflicts or difficulties due to lack of communication. ✓
- Lack of participation in decision-making ✓
- Inadequate training ✓
- Any other relevant answer related to causes of stress in the business environment.

**NOTE: Mark the first THREE (3) only.**

(Any 3 x 1) (3)

**3.2 Major changes from given statements**

3.2.1 Affirmative action ✓✓

3.2.2 Globalisation ✓✓

(4)

**3.3 Problem-solving**

3.3.1 Delphi technique ✓✓

(2)

**Motivation**

GT requested experts to suggest ways on how to solve this business problem. ✓

(1)

**NOTE: Do not award marks for motivation if the problem-technique was incorrectly identified.**

**Max. (3)**

**3.3.2 Application of the Delphi technique**

- Businesses must invite a panel of experts ✓ to research the complaints from customers. ✓
- Experts do not have to be in one place, ✓ and will be contacted individually. ✓
- Design a questionnaire consisting of questions on how to improve the quality ✓ of their products and distribute it to the panel members/experts. ✓
- Request the panel to individually respond to the questionnaire ✓ / suggest improvements to the products and return it to the business ✓
- Summarise the responses from the experts ✓ in a feedback report. ✓
- Send the feedback report and a second set of questions/questionnaire ✓ based on the feedback report to the panel members. ✓
- Request panel members to provide further input/ideas ✓ on how to improve the quality of products after they have studied the results/documentation. ✓

- Distribute a third questionnaire based on previous feedback ✓ from the second round. ✓
- Prepare a final summary/feedback report with all the methods ✓ to improve the quality of the business' products. ✓
- The business should choose the best solution/proposal ✓ after reaching consensus. ✓
- Any other relevant answer related to the application of the Delphi-technique to solve business problems.

**NOTE: Accept relevant facts if the problem-solving technique was incorrectly identified as an answer in QUESTION 3.3.1.**

**Max. (4)**

### 3.3.3 Advantages of working with others to solve problems

- The problem can be solved faster and easier ✓ by working with others. ✓
- Workload decreases ✓ if everyone does their share. ✓
- More ideas can be generated ✓ increasing the chances of finding the best possible solutions. ✓
- Exposure to other people's thinking patterns ✓ and to the way other people approach problems. ✓
- Enables team members to learn from others ✓ and accept their points of views. ✓
- Greater results ✓ can be achieved. ✓
- Team members have access ✓ to a broader base of knowledge, skills and expertise. ✓
- The problem is viewed from different perspectives, ✓ leading to better/more diverse inputs. ✓
- Problems are analysed in greater detail ✓ which leads to better understanding of the problem. ✓
- Promotes creative thinking and idea generation ✓ by thinking of as many ideas as possible to solve problems. ✓
- Any other relevant answer related to the advantages of working with others to solve problems.

**Max. (4)**

### 3.4 Importance of stress management

- Conflict and interpersonal problems can be avoided, ✓ if stress is managed in the workplace. ✓
- If stress is not managed effectively, it can get out of control ✓ and cause staff health issues. ✓
- Stressed employees are more likely to miss work, ✓ both as a way to cope and due to health-related problems. ✓
- Managing stress will curb absenteeism ✓ in order to maintain productivity in the workplace. ✓
- Workers who suffer from stress often display poor judgement in crisis or emergency situations, ✓ and this can be avoided through stress management ✓
- Grievances or complaints that lead to staff turnover can be addressed ✓ if stress is well-managed. ✓

- Having stressed and tired employees serving the public, it may lead to poor service and unhappy customers ✓ and this can be corrected through the management of stress. ✓
- Stressed employees are more likely to cling to the old ways of doing things ✓ by resisting change and this can be controlled through proper stress management. ✓
- Any other relevant answer related to the importance of stress management in the workplace.

**Max. (4)**

### 3.5 Stages of team development

#### 3.5.1 Stages of team development from the scenario

STAGES OF TEAM DEVELOPMENT	MOTIVATIONS
1. Forming ✓✓	In the first week they gathered information about the tasks they must be performing. ✓
2. Performing/Working towards a goal ✓✓	Soon all the employees were competent and able to handle the decision-making process without supervision. ✓
Sub-max. (4)	Sub-max. (2)

- NOTE:**
1. Mark the first TWO (2) stages only.
  2. Award marks for the stages of team development even if the quote is incomplete.
  3. Do not award marks for the motivation if the stages of team development were incorrectly identified.

**Max. (6)**

#### 3.5.2 Other stages of team development

##### Storming stage ✓✓

- Teams go through a period of unease/conflict ✓ after formation. ✓
- Different ideas from team members ✓ will compete for consideration. ✓
- Team members open up to each other ✓ and confront each other's ideas / perspectives. ✓
- Tension/Struggle/Arguments occur ✓ and upset team members ✓ / There may be power struggles ✓ for the position of team leader. ✓
- In some instances, storming can be resolved quickly, ✓ in others, the team never leaves this stage. ✓
- Many teams fail during this stage ✓ as they are not focused on their task. ✓
- This phase can become destructive to the team/will lower motivation, ✓ if allowed to get out of control. ✓
- This stage is necessary/important ✓ for the growth of the team. ✓
- Some team members tolerate each other ✓ to survive this stage. ✓
- Any other relevant answer related to storming as a stage of team development.

Stage (2)  
Explanation (2)  
Sub-max. (4)

**Norming/Settling and reconciliation ✓✓**

- Team members come to an agreement ✓ and reach consensus. ✓
- Roles and responsibilities are clear ✓ and accepted. ✓
- Processes/working style and respect develop ✓ amongst members. ✓
- Team members have the ambition to work ✓ for the success of the team. ✓
- Conflict may occur, ✓ but commitment and unity are strong. ✓
- Any other relevant answer related to norming/settling and reconciliation as a stage of team development.

Stage (2)  
Explanation (2)  
Sub-max. (4)

**Mourning stage/Adjourning ✓✓**

- The focus is on the completion ✓ of the task/ending the project. ✓
- Breaking up the team may be traumatic ✓ as team members may find it difficult to perform as individuals once again. ✓
- All tasks need to be completed ✓ before the team finally dissolves. ✓
- Any other relevant answer related to adjourning/mourning as a stage of team development.

Stage (2)  
Explanation (2)  
Sub-max. (4)

**NOTE: Mark the first TWO (2) only.**

**Max. (8)**

**3.6 Ways employees can manage stress in the workplace**

- Develop self-awareness to recognise the signs of stress and its causes. ✓✓
- Create a balanced lifestyle and minimise extreme emotions. ✓✓
- Exercise regularly and keep fit. ✓✓
- Follow a balanced diet. ✓✓
- Get enough sleep and relaxation. ✓✓
- Replace negative self-talk with positive thoughts. ✓✓
- Apply good time-management skills. ✓✓
- Set personal realistic goals and targets. ✓✓
- Accept things one cannot change and focus on things one can control. ✓✓
- Practise time management. ✓✓
- Any other relevant answer related to ways employees can manage stress in the workplace.

**Max. (4)**  
**[40]**

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	3
3.2	4
3.3.1	3
3.3.2	4
3.3.3	4
3.4	4
3.5.1	6
3.5.2	8
3.6	4
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS VENTURES****4.1 Types of written information**

- Business reports ✓
- Business plans ✓
- Information reports ✓
- Analytical reports ✓
- Advertisements ✓

**NOTE: Mark the first THREE (3) only.**

(Any 3 x 1) (3)

**4.2 Project planning steps**

- Define the scope of the plan to be done. ✓✓
- Identify project supporters. ✓✓
- Break the project down into activities. ✓✓
- Set time frames and determine how long each activity takes. ✓✓
- Set milestones targets e.g. what is the main completion point? ✓✓
- Determine accountabilities/person responsible for the decision made. ✓✓
- Calculate the financial, human/technical resources that will be needed ✓✓
- Plot the activity schedule into a Gantt chart. ✓✓
- Execute the project plan. ✓✓
- Monitor progress. ✓✓
- Communicate and review project progress. ✓✓
- Keep records of all activities. ✓✓
- Any other relevant answer related to the project planning steps.

**Max.** (6)**4.3 Success factors****4.3.1 Key success factors from the scenario**

- Customer base ✓
- Sustainability ✓
- Uniqueness of the clothes he designs ✓

**NOTE: Mark the first THREE (3) only.**

(Any 3 x 1) (3)



**4.3.2 Areas of improvement**

- TFD should use a suggestion box to obtain feedback from staff and customers. ✓✓
- Develop review forms. ✓✓
- Upload website comments for customer feedback. ✓✓
- TFD must respond to customer feedback. ✓✓
- Regular session for review of the vision, business structure, service delivery. ✓✓
- Keep abreast with changing environment. ✓✓
- Research and categorise competition. ✓✓
- Set goals with reasonable milestones and timelines. ✓✓
- Any other relevant answer related to the areas of improvement.

**Max. (4)****4.4 Reasons why entrepreneurs may decide to purchase an existing business**

- Easier to raise finance ✓ if the business has a good history/image. ✓
- Immediate cash flow ✓ as there are already established customers. ✓
- Market research has already been done ✓ and there is an established customer base. ✓
- Distribution/supply links/staff/network ✓ is/are already established. ✓
- A market for business products ✓ or services has already been established. ✓
- Existing / current employees and managers will have ✓ experience they can share. ✓
- Many business problems ✓ have already been solved. ✓
- Any other relevant answer related to reasons why an entrepreneur may decide to purchase an existing business.

**Max. (4)****BUSINESS ROLES****4.5 Examples of ethical business practices**

- Using fair advertising ✓
- Not using child labour ✓
- Treating all employees equally ✓
- Paying fair wages ✓
- Operating within the law ✓
- Business deals are conducted openly ✓
- Not engaging in illegal business practices
- Ensuring that the environment is not polluted. ✓
- Adopting codes of good ethical practice. ✓
- Establishing corporate social responsibility initiatives. ✓
- Encouraging employees to adopt ethical behaviour. ✓
- Clients and employee's information is not disclosed/used for the benefit of the business. ✓
- Shareholders and employees' personal interest and business interest do not conflict with one another ✓
- Any other relevant examples of ethical business practices.

**NOTE: Mark the first FOUR (4) only.****(Any 4 x 1) (4)**

## 4.6 Conflict

### 4.6.1 Meaning of conflict

- Clash of opinions/ideas/viewpoints ✓ in the workplace. ✓
- Disagreement ✓ between two or more parties in the workplace. ✓
- Any other relevant answer related to the meaning of conflict.

**Max. (4)**

### 4.6.2 Causes of conflict

- Lack of proper communication ✓ between management and workers. ✓
- Ignoring rules/procedures may result ✓ in disagreements and conflict. ✓
- Management and/or workers may have different ✓ personalities/backgrounds. ✓
- Different values/levels of knowledge/skills/experience ✓ of managers/workers. ✓
- Little/no co-operation ✓ between internal and/or external parties/stakeholders. ✓
- Lack of recognition for good work, ✓ e.g. a manager may not show appreciation for extra hours worked to meet deadlines. ✓
- Lack of employee development ✓ may increase frustration levels as workers may repeat errors due to a lack of knowledge/skills. ✓
- Unfair disciplinary procedures, ✓ e.g. favouritism/nepotism. ✓
- Little/no support from management ✓ with regards to supplying the necessary resources and providing guidelines. ✓
- Leadership styles used, ✓ e.g. autocratic managers may not consider workers' inputs. ✓
- Unrealistic deadlines/Heavy workloads ✓ lead to stress resulting in conflict. ✓
- Lack of agreement on mutual matters, ✓ e.g. remuneration/working hours. ✓
- Unhealthy competition/Inter-team rivalry ✓ may cause workers to lose focus on team targets. ✓
- Lack of commitment/Distracted by personal objectives ✓ which may lead to an inability to meet pre-set targets. ✓
- Constant changes ✓ may cause instability. ✓
- Lack of clarity regarding employees' roles ✓ and responsibilities. ✓
- Any other relevant answer related to the causes of conflict in the workplace.

**Max. (6)**

**4.7 Ways in which businesses can create an environment that stimulates creative thinking**

- Businesses must emphasise the importance of creative thinking to ensure that all staff know that their ideas will be heard. ✓✓
- Encourage staff to come up with new ideas/opinions/solutions. ✓✓
- Encourage job swaps within the organisation/studying how other businesses are doing things. ✓✓
- Encourage alternative ways of working/doing things. ✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important. ✓✓
- Reward creativity with reward schemes for teams/individuals that come up with creative ideas. ✓✓
- Provide a working environment conducive to creativity, free from distractions. ✓✓
- Make time for brainstorming sessions to generate new ideas, e.g. regular workshops/generate more ideas/build on one another's ideas. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. ✓✓
- Train staff in innovative techniques/creative problem-solving skills/mind-mapping/lateral thinking. ✓✓
- Any other relevant answer related to ways in which businesses can create an environment that stimulate creative thinking.

**Max.** (6)  
**[40]**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>3</b>
<b>4.2</b>	<b>6</b>
<b>4.3.1</b>	<b>3</b>
<b>4.3.2</b>	<b>4</b>
<b>4.4</b>	<b>4</b>
<b>4.5</b>	<b>4</b>
<b>4.6.1</b>	<b>4</b>
<b>4.6.2</b>	<b>6</b>
<b>4.7</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>

**SECTION C**

Mark only ONE answer in this section.

**QUESTION 5: BUSINESS VENTURES (FORMS OF OWNERSHIP AND PRESENTATION)****5.1 Introduction**

- The formation of a company involves lengthy procedures and completion of many documents to the Registrar of Companies. ✓
- The business person must examine all forms of ownership in the light of his needs and situations. ✓
- Companies are legal entities, and its formation is due to legislation. ✓
- The Companies Act gives right to the name, symbol in any language for a company. ✓
- It is important for the presenter to be aware of all possible pitfalls that will occur when preparing for a presentation. ✓
- Any other relevant introduction related to the procedure for the formation of companies/benefit of establishing a company versus other forms of ownership/legal requirements of the name of the company / factors must consider when preparing a presentation. (Any 2 x 1) (2)

**5.2 Procedure for the formation of companies**

- Determine the minimum number of people establishing a company. ✓✓
- Reservation of a company name with the Registrar of Companies, CIPC COR9.4 with fee payment. ✓✓
- Prepare Memorandum of incorporation indicating the rights, duties and responsibilities of shareholders / nature of company / securities / meetings / directors. ✓✓
- File a Notice of Incorporation to commence a business/trade to raise finance. ✓✓
- The company needs to open a bank account and register with South African Revenue Services. ✓✓
- Register for unemployment insurance fund (UIF) with the department of labour. ✓✓
- Register with the commissioner for Compensation for Occupational Injuries and Diseases Act (COIDA) for protection of injuries at work. ✓✓
- Draw up a prospectus to inform investors about company and shares to offer. ✓✓
- Any other relevant answer related to the procedure for the formation of companies. **Max.** (12)

### 5.3 Benefit of establishing a company versus other forms of ownership

#### Legal status and liability

- Companies are registered as a legal entity ✓ unlike sole trader and partnership. ✓
- Shareholders' private assets are protected as they have limited liability, ✓ with the exception of personal liability companies, sole trader and partnership. ✓
- Shareholders have no direct legal responsibility, ✓ only the money they invested. ✓
- Companies own their own names ✓ and are protected unlike a sole trader and partnership. ✓
- Any other relevant answer related to legal status and liability of a company.

Sub-max. (4)

#### Capital and cash flow

- A company may attract more investors ✓ to fund long term growth opportunities. ✓
- Companies have a better cash flow ✓ than sole traders and partnerships. ✓
- A company is not limited to the individual contribution of the members' capital ✓ as in the case of a sole trader. ✓
- Directors do not have to take out personal loans to grow the business ✓ rather shares can be used as currency. ✓
- Any other relevant answer related to capital and cash flow of a company.

Sub-max. (4)

#### Ownership and management

- Shareholders are able to buy ✓ and sell shares freely in a public company. ✓
- The company is managed by a qualified ✓ and competent board of directors. ✓
- A company is less likely to use consultants ✓ as it has a larger pool of skills and expertise. ✓
- Directors are more likely to take risks ✓ and allow growth opportunities for the business. ✓
- Any other relevant answer related to ownership and management of a company.

Sub-max. (4)

**Max.** (12)

**5.4 Legal requirements of the name of the company**

- The name of a company must be original, ✓ and must not be misleading. ✓
- A company's name must appear on all company documents ✓ e.g. on letterheads. ✓
- Reserving a name for a company is the first step to register a company, ✓ but it is not compulsory. ✓
- Names can be reserved for a period of 6 months ✓ by the CIPC. ✓
- The name must not be similar/same ✓ as any other company unless it is part of the group. ✓
- The name must not imply/suggest/mislead a person ✓ to believe that the company is part of another person / business / the state. ✓
- The name must not be offensive / promote violence / hatred ✓ and cause any harm. ✓
- The name must not be shortened ✓ and translated. ✓
- The name of a company must indicate the type of company as follows:  
The name of a company must end with ✓ NPC/Ltd/(Pty)Ltd/ PLC/SOC. ✓
- Any other relevant answer related to the legal requirements of the name of the company.

**Max. (12)****5.5 Factors to be considered when preparing for a presentation**

- Clear purpose or intentions or objectives and main points of the presentation. ✓✓
- Main aims captured in the introduction or opening statement of the presentation. ✓✓
- Information presented should be relevant and accurate. ✓✓
- Fully conversant with the content or objectives of the presentation. ✓✓
- Background / Diversity / Size / Pre-knowledge of the audience to determine the appropriate visual aids. ✓✓
- Prepare a rough draft of the presentation with a(n) logical structure/format/introduction, body and conclusion. ✓✓
- Conclusion shows a summary of the key facts and how it relates to the objectives/shows that all aspects have been addressed. ✓✓
- Create visual aids or graphics that will consolidate the information/facts to be conveyed to the audience. ✓✓
- Find out about the venue for the presentation, e.g. what equipment is available or appropriate / availability of generators to use during power interruptions/load shedding. ✓✓
- Consider the timeframe for presentation, e.g. fifteen minutes allowed to complete the presentation. ✓✓
- Rehearse to ensure a confident presentation, time was used effectively. ✓✓
- Prepare for the feedback session, by anticipating possible questions or comments. ✓✓
- Any other relevant answer related to factors that the presenter must consider when preparing for a presentation.

**Max. (10)**

### 5.5 Conclusion

- A company becomes a juristic person from the date and time that its incorporation is registered and effected by signature of the MOI. ✓✓
- A company can bring in more shareholders at any stage if it needs more capital investment. ✓✓
- The name for a company can include symbols and may be in any language. ✓✓
- Effective presentation of business information is one of the key elements of communicating with various stakeholders. ✓✓
- Any other relevant conclusion related to the procedure for the formation of companies/benefit of establishing a company versus other forms of ownership/legal requirements of the name of the company/factors that must be considered when preparing a presentation. (Any 1 x 2)

(2)  
[40]

#### BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max. 32</b>
Procedure for the formation of companies	12	
Benefits of establishing a company over other forms of ownership: <ul style="list-style-type: none"> <li>○ Legal status and liability</li> <li>○ Capital and cash flow</li> <li>○ Ownership and management</li> </ul>	12	
Legal requirements of the name of a company	12	
Factors to consider when preparing a presentation	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>8</b>
Analysis/Interpretation	2	
Synthesis	2	
Originality	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all

**QUESTION 6: BUSINESS ROLES (PROFESSIONALISM AND ETHICS)****6.1 Introduction**

- Professionalism and ethics mean that the highest legal and moral standards are upheld when dealing with stakeholders. ✓
- Business ethics refers to the rules and principle which influence the best business practice. ✓
- Many institutions in South Africa have their own code of conduct and commitment to ethical and professional behaviour. ✓
- Businesses that adopt professional, responsible and ethical business practices will remain profitable/sustainable over a long period of time. ✓
- Any other relevant introduction related to professionalism and ethics/ principles of professionalism / different perspectives on ethics / ways in which professional, responsible, ethical and effective business practice should be conducted. (Any 2 x 1) (2)

**6.2 Differences between professionalism and ethics**

<b>PROFESSIONALISM</b>	<b>ETHICS</b>
• Set of standards ✓ of expected behaviour. ✓	• Conforms to a set of values ✓ that are morally acceptable. ✓
• Forms part of a Code of Conduct ✓ to guide employees to act professionally. ✓	• Forms part of the employees' ✓ code of conduct. ✓
• Focuses on upholding the reputation ✓ of a business/ profession. ✓	• Focuses on developing a moral compass ✓ to use in decision-making. ✓
• Includes guidelines ✓ on employees' appearance/ communication/attitude/ responsibility, etc. ✓	• Involves following the principles of right or wrong ✓ in business activities/practices/dealings. ✓
• Used for the good ✓ of the employees/individuals. ✓	• Acceptable ✓ to society/group/ community. ✓
• Apply a code of conduct ✓ set by the profession or business. ✓	• Forms part of the employees' ✓ code of conduct to guide employees to act ethically. ✓
• Any other relevant answer related to professionalism.	• Any other relevant answer related to ethics.
Sub-max. (6)	Sub-max. (6)

- NOTE:**
1. The answer does not have to be in tabular format.
  2. The distinction does not have to link, but must be clear.
  3. Award a maximum of SIX (6) marks if the distinction is not clear/ Mark either professionalism or ethics only.

**Max. (12)**



**6.3 Principles of professionalism**

- Employees should respect themselves ✓ and the rights and dignity of others, for example other languages / cultures. ✓
- Respect the image of the business/your profession ✓ e.g. adhere to the dress code of the business/profession. ✓
- Act with integrity/honesty/reliability ✓ e.g. keep to working hours even if no other workers are around/do not use the business resources for personal gain. ✓
- Be committed to quality ✓ and apply skills and knowledge to the benefit of the business/society at large. ✓
- Adhere to confidentiality measures ✓ by not disclosing sensitive information about customers/business. ✓
- Remain objective, act fairly and justly to all ✓ without being biased or showing favouritism. ✓
- Continually improve/develop skills and knowledge ✓ e.g. attending refresher courses and seminars. ✓
- Share knowledge by investing time and expertise in junior staff members ✓ e.g. uplifting/empowering others. ✓
- Any other relevant answer related to the principles of professionalism.

**Max. (14)****6.4 Different perspectives on ethics**

- There are certain universal ethical principles such as human rights ✓ but they differ according to culture/religion etc. ✓
- There is no absolute right or wrong when it comes to ethics ✓ as societies decide on acceptable behaviours. ✓
- Different cultures ✓ have different rules of conduct. ✓
- Some people believe cloning animals or people is interfering with nature, ✓ while others believe that cloning indicates scientific progress and medical hope. ✓
- Some believe that tax evasion is wrong, ✓ while others regard tax evasion to be a creative bookkeeping. ✓
- Drawing up code of ethics, ✓ business need to be in line with the human rights and the law. ✓
- Any other relevant answer related to different perspective on ethics

**Max. (10)****6.5 Ways in which professional, responsible and effective practices should be conducted**

- Businesses should treat all employees equally. ✓✓
- Plan properly and put preventative measures in place. ✓✓
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays. ✓✓
- Engage in environmental awareness programmes/Refrain from polluting the environment, e.g. by legally disposing of toxic waste. ✓✓
- Refrain from starting a venture using other businesses' ideas that are protected by law. ✓✓
- Business decisions and actions must be clear/transparent to all stakeholders. ✓✓

- Businesses should be accountable /responsible for their decisions and actions / patent rights. ✓✓
- Hiring honest/trustworthy accountants/financial officers with good credentials. ✓✓
- Regular/Timeous payment of taxes. ✓✓
- Draw up a code of ethics/conduct. ✓✓
- Ongoing development and training for all employees. ✓✓
- Performance management systems/Appraisals should be in place ✓✓
- Adequate internal controls/monitoring/evaluation. ✓✓
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practices should be conducted.

**Max.** (10)

### 6.6 Conclusion

- A business code on ethics and conduct should improve relationships and eliminate unethical business practices. ✓✓
- Employees who do not adhere to a code of ethics and conduct should be disciplined. ✓✓
- Businesses can make use of good corporate governance to address issues that challenge ethical and professional behaviour. ✓✓
- Businesses are expected to conduct their operations in a professional and ethical manner. ✓✓
- Any other relevant conclusion related to professionalism and ethics / principles of professionalism / different perspectives on ethics / ways in which professional, responsible, ethical and effective business practice should be conducted.

(Any 2 x 1) (2)  
**[40]**

### BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	MARKS
Introduction	2	<b>Max. 32</b>
Difference between professionalism and ethics	12	
Principles of professionalism	14	
Different perspectives on ethics	10	
Ways in which professional, responsible, ethical and effective business practice.	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>8</b>
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 150**